

## **REVIEW REPORT OF INDEPENDENT AUDITOR**

To the shareholders of Siam Steel International Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Siam Steel International Public Company Limited and subsidiaries as at 31 March 2017, and the related consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2017, and condensed notes to the interim consolidated financial statements. I have also reviewed the separate statement of financial position of Siam Steel International Public Company Limited as at 31 March 2017, and the related separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2017, and condensed notes to the interim financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 "Interim financial reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion on the interim financial information.

**Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 “Interim financial reporting”.

**Emphasis of Matter**

I draw attention to note 19 to the interim financial statement which describes the restatement of the consolidated profit or loss and other comprehensive income, of changes in shareholders’ equity and of cash flows for the three-month period ended 31 March 2016 due to the change in the accounting treatment of an indirect subsidiary. My conclusion is not qualified in respect of this matter.

**Miss Kanyanat Sriratchatchaval**

Certified Public Accountant

Registration No. 6549

Bangkok, Thailand

15 May 2017

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		235,051	380,030	87,513	195,606
Trade accounts receivable from sales and services					
- general customers - net	6	398,411	424,935	207,230	244,254
- related companies	5, 6	13,191	6,009	14,021	7,186
Trade accounts receivable from construction work					
- general customers	6	-	30,158	-	30,158
Unbilled accrued income - general customers		12,760	5,768	12,760	5,768
Inventories - net	7	404,488	404,234	289,453	277,589
Receivables from and advances to related companies	5	6,969	984	8,017	2,812
Short - term loans to indirect subsidiary company	5	-	-	375,000	465,000
Other current assets		43,990	48,307	38,434	31,639
<b>Total current assets</b>		<b>1,114,860</b>	<b>1,300,425</b>	<b>1,032,428</b>	<b>1,260,012</b>
<b>NON - CURRENT ASSETS</b>					
Restricted deposits with banks		1,800	525	1,581	261
Retentions receivable		24,326	17,141	24,326	17,141
Investments					
- Subsidiary companies - net	8	-	-	194,399	194,399
- Associated companies	8	780,148	758,984	162,627	162,627
- Other companies - net	8	52,149	52,149	49,712	49,712
Goodwill		618	618	-	-
Property, plant and equipment - net	9	1,172,798	1,175,211	552,554	561,435
Assets not used in operation - net		168,815	168,815	168,815	168,815
Income tax withheld at sources		24,080	22,569	13,385	11,998
Deferred income tax asset - net		98,584	100,739	94,403	95,505
Other non - current assets		21,692	21,682	9,930	9,655
<b>Total non - current assets</b>		<b>2,345,010</b>	<b>2,318,433</b>	<b>1,271,732</b>	<b>1,271,548</b>
<b>TOTAL ASSETS</b>		<b>3,459,870</b>	<b>3,618,858</b>	<b>2,304,160</b>	<b>2,531,560</b>

The accompanying notes form an integral part of these interim financial statements.

SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF FINANCIAL POSITION

(Unit : Thousand Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but Reviewed)	(Audited)	(Unaudited but Reviewed)	(Audited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short - term loans from financial institution	10	198,049	385,334	198,049	385,334
Short - term loans from other person	11	138,000	103,000	-	-
Short - term loans from related parties	5	47,000	-	-	-
Current portion of					
- Long - term loans from banks	12	5,784	5,784	5,784	5,784
- Liabilities under employee benefits obligation		10,262	10,094	10,033	9,864
Trade accounts payable - general suppliers		125,887	130,868	91,520	94,536
Payables to and advances from related companies	5	36,505	42,569	12,273	10,045
Advances and deposits from customers					
- general customers		22,864	43,824	22,864	40,699
- related companies	5	6,203	8,283	8,045	10,124
Accrued income tax		10	-	-	-
Other current liabilities		96,856	123,586	83,093	102,982
<b>Total current liabilities</b>		<b>687,420</b>	<b>853,342</b>	<b>431,661</b>	<b>659,368</b>
<b>NON - CURRENT LIABILITIES</b>					
Long - term loans from financial institution - net	12	228,873	230,319	228,873	230,319
Liabilities under employee benefits obligation - net		30,287	29,858	26,794	26,502
Other non - current liabilities		25,939	26,118	15,619	15,799
<b>Total non - current liabilities</b>		<b>285,099</b>	<b>286,295</b>	<b>271,286</b>	<b>272,620</b>
<b>TOTAL LIABILITIES</b>		<b>972,519</b>	<b>1,139,637</b>	<b>702,947</b>	<b>931,988</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital - common share at Baht 1 par value					
- Registered 593,125,849 shares		593,126	593,126	593,126	593,126
- Issued and paid - up 593,125,849 shares		593,126	593,126	593,126	593,126
Share premium		72,404	72,404	72,404	72,404
Retained earnings					
- Appropriated for legal reserve		59,312	59,312	59,312	59,312
- Unappropriated		1,569,175	1,561,712	876,371	874,730
Other components of equity		2,052	2,492	-	-
<b>Shareholders' equity attributable to the Company's shareholders</b>		<b>2,296,069</b>	<b>2,289,046</b>	<b>1,601,213</b>	<b>1,599,572</b>
Non - controlling interests		191,282	190,175	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>2,487,351</b>	<b>2,479,221</b>	<b>1,601,213</b>	<b>1,599,572</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3,459,870</b>	<b>3,618,858</b>	<b>2,304,160</b>	<b>2,531,560</b>

The accompanying notes form an integral part of these interim financial statements.

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

	Notes	Consolidated F/S		Separate F/S	
		2017	2016	2017	2016
			(Restated)		
(Unit : Thousand Baht)					
<b>Revenues</b>					
Sales and services - net	5, 13	456,847	390,386	264,383	224,242
Construction work	13	19,015	38,255	19,015	38,255
<b>Total revenues</b>		<b>475,862</b>	<b>428,641</b>	<b>283,398</b>	<b>262,497</b>
<b>Cost of goods sold</b>					
Costs of sales and services	5, 13	(352,548)	(286,572)	(199,291)	(156,037)
Cost of construction	5, 13	(16,627)	(31,891)	(16,627)	(31,891)
<b>Total cost of goods sold</b>		<b>(369,175)</b>	<b>(318,463)</b>	<b>(215,918)</b>	<b>(187,928)</b>
<b>Gross profit</b>		<b>106,687</b>	<b>110,178</b>	<b>67,480</b>	<b>74,569</b>
Gain (loss) on foreign exchange rates		(1,327)	3,296	(1,451)	3,470
Other income	5	16,941	8,025	29,694	19,736
<b>Profit before expenses</b>		<b>122,301</b>	<b>121,499</b>	<b>95,723</b>	<b>97,775</b>
Selling expenses		(35,257)	(34,686)	(37,633)	(36,774)
Administrative expenses	5, 19	(85,428)	(91,044)	(46,918)	(50,957)
<b>Total expenses</b>		<b>(120,685)</b>	<b>(125,730)</b>	<b>(84,551)</b>	<b>(87,731)</b>
<b>Profit (loss) from operations</b>		<b>1,616</b>	<b>(4,231)</b>	<b>11,172</b>	<b>10,044</b>
Share of profit from investments in associated companies - net	8	21,164	20,362	-	-
<b>Profit before finance costs and income tax</b>		<b>22,780</b>	<b>16,131</b>	<b>11,172</b>	<b>10,044</b>
Finance costs	5, 13	(10,562)	(7,149)	(8,429)	(6,458)
<b>Profit before income tax</b>		<b>12,218</b>	<b>8,982</b>	<b>2,743</b>	<b>3,586</b>
Income tax		(3,648)	(1,811)	(1,102)	(1,028)
<b>Profit for the period</b>		<b>8,570</b>	<b>7,171</b>	<b>1,641</b>	<b>2,558</b>
<b>Other comprehensive income</b>					
Items subsequently reclassifiable to profit or loss					
Exchange differences on translating foreign operations - net of tax	19	(440)	11,846	-	-
<b>Total comprehensive income for the period</b>		<b>8,130</b>	<b>19,017</b>	<b>1,641</b>	<b>2,558</b>
<b>Profit for the period attributable to :</b>					
Equity holders of the Company		7,463	5,725	1,641	2,558
Non - controlling interests		1,107	1,446	-	-
<b>Total</b>		<b>8,570</b>	<b>7,171</b>	<b>1,641</b>	<b>2,558</b>
<b>Total comprehensive income for the period attributable to:</b>					
Equity holders of the Company		7,023	17,571	1,641	2,558
Non - controlling interests		1,107	1,446	-	-
<b>Total</b>		<b>8,130</b>	<b>19,017</b>	<b>1,641</b>	<b>2,558</b>
<b>Basic earnings per share</b>					
Profit (Baht per share)		0.013	0.010	0.003	0.004
Weighted average number of common shares (share)		593,125,849	593,125,849	593,125,849	593,125,849

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Note	Attributable to shareholders of the Company							Total
		Issued and paid - up share capital	Share premium	Retained earnings		Other components of equity	Total equity attributable to the		
				Legal reserve	Unappropriated	Exchange differences on translating foreign operation	Company's shareholders	Non-controlling interests	
<b>Consolidated F/S</b>									
<b>Balance as at 1 January 2016</b>		593,126	72,404	59,312	1,610,539	-	2,335,381	187,993	2,523,374
Total comprehensive income for the period - restated	19	-	-	-	5,725	11,846	17,571	1,446	19,017
<b>Balance as at 31 March 2016 - as restated</b>		<b>593,126</b>	<b>72,404</b>	<b>59,312</b>	<b>1,616,264</b>	<b>11,846</b>	<b>2,352,952</b>	<b>189,439</b>	<b>2,542,391</b>
<b>Balance as at 1 January 2017</b>		593,126	72,404	59,312	1,561,712	2,492	2,289,046	190,175	2,479,221
Total comprehensive income for the period		-	-	-	7,463	(440)	7,023	1,107	8,130
<b>Balance as at 31 March 2017</b>		<b>593,126</b>	<b>72,404</b>	<b>59,312</b>	<b>1,569,175</b>	<b>2,052</b>	<b>2,296,069</b>	<b>191,282</b>	<b>2,487,351</b>

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

## FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Issued and paid - up share capital	Share premium	Retained earnings		Total
			Legal reserve	Unappropriated	
<b>Separate F/S</b>					
<b>Balance as at 1 January 2016</b>	593,126	72,404	59,312	886,088	1,610,930
Total comprehensive income for the period	-	-	-	2,558	2,558
<b>Balance as at 31 March 2016</b>	593,126	72,404	59,312	888,646	1,613,488
<b>Balance as at 1 January 2017</b>	593,126	72,404	59,312	874,730	1,599,572
Total comprehensive income for the period	-	-	-	1,641	1,641
<b>Balance as at 31 March 2017</b>	593,126	72,404	59,312	876,371	1,601,213

## STATEMENT OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

	(Unit : Thousand Baht)			
	Consolidated F/S		Separate F/S	
	2017	2016 (Restated)	2017	2016
<b>Cash flows from operating activities</b>				
Profit before income tax	12,218	8,982	2,743	3,586
<b>Adjustments to reconcile loss before tax to net cash provided from (used in) operating activities:</b>				
Depreciation	11,662	10,773	9,964	9,986
Allowance (reversal of allowance) for decline value of inventories - net	(5,710)	785	(33)	785
Gain on sales of assets	(609)	(27)	(2)	(2)
Unrealized loss (gain) on foreign exchange	70	(4,110)	(373)	(4,110)
Finance costs	10,562	7,149	8,429	6,458
Equity income of associated companies - net	(21,164)	(20,362)	-	-
Employee benefits obligation expenses	454	179	318	177
<b>Cash provided from operations before changes in operating assets and liabilities</b>	7,483	3,369	21,046	16,880
<b>Decrease (increase) in operating assets;</b>				
Trade accounts receivable from sales and services				
- general customers	26,986	74,700	37,485	38,322
- related companies	(7,183)	(6,879)	(6,835)	(9,459)
Trade accounts receivable from construction work				
- general customers	30,158	(1,369)	30,158	(1,369)
Unbilled accrued income	(6,992)	(14,255)	(6,992)	(14,255)
Inventories	5,456	(41,670)	(11,831)	(16,900)
Receivables from and advances to related companies	(5,986)	4,655	(5,206)	4,599
Other current assets	4,317	(29,852)	(6,795)	(5,197)
Retentions receivable	(7,083)	1,668	(7,083)	1,668
Other non - current assets	(11)	4,102	(275)	2,103
<b>Increase (decrease) in operating liabilities;</b>				
Trade accounts payable - general suppliers	(4,981)	19,553	(3,016)	9,534
Trade accounts payables and advances from related companies	(8,196)	8,972	2,229	(4,146)
Advances and deposits from customers				
- general customers	(20,955)	22,336	(17,831)	22,104
- related companies	(2,080)	-	(2,080)	-
Other current liabilities	(26,907)	5,368	(20,067)	3,012
Liabilities under employee benefits obligation - net	(40)	-	(40)	-
Other non - current liabilities	(179)	11,568	(179)	1,249
<b>Cash provided from (used in) operations</b>	(16,193)	62,266	2,688	48,145
Cash paid for interest	(5,550)	(6,603)	(3,596)	(6,286)
Income tax payment	(2,993)	(113)	(1,387)	-
<b>Net cash provided from (used in) operating activities</b>	(24,736)	55,550	(2,295)	41,859



## STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Thousand Baht)

	Consolidated F/S		Separate F/S	
	2017	2016 (Restated)	2017	2016
<b>Cash flows from investing activities</b>				
Decrease (increase) in restricted deposits with banks	(1,274)	4,140	(1,320)	4,215
Acquisition of assets	(9,833)	(485,339)	(1,084)	(27,659)
Proceeds from sales of assets	750	30	3	5
Decrease in short - term loans to indirect subsidiary company	-	-	90,000	-
Decrease in long - term loans to related company	-	-	-	100,000
Increase in long - term loans to indirect subsidiary company	-	-	-	(440,000)
Cash received (paid) for investment in subsidiary company	-	7,810	-	(27,950)
<b>Net cash provided from (used in) investing activities</b>	<b>(10,357)</b>	<b>(473,359)</b>	<b>87,599</b>	<b>(391,389)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short - term loans from financial institution	(190,000)	239,815	(191,951)	239,815
Increase in short - term loans from other parties	35,000	-	-	-
Increase in short - term loans from related parties	47,000	103,000	-	-
Cash paid for long-term loans from financial institution	(1,446)	-	(1,446)	-
<b>Net cash provided from (used in) financing activities</b>	<b>(109,446)</b>	<b>342,815</b>	<b>(193,397)</b>	<b>239,815</b>
Exchange differences on translating foreign operations - net of tax	(440)	11,846	-	-
<b>Decrease in cash and cash equivalents - net</b>	<b>(144,979)</b>	<b>(63,148)</b>	<b>(108,093)</b>	<b>(109,715)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>380,030</b>	<b>379,516</b>	<b>195,606</b>	<b>242,871</b>
<b>Cash and cash equivalents at end of period</b>	<b>235,051</b>	<b>316,368</b>	<b>87,513</b>	<b>133,156</b>

**SIAM STEEL INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**CONDENSED NOTES TO INTERIM FINANCIAL STATEMENTS**  
**31 MARCH 2017 (Unaudited but reviewed)**

(With comparative information as at 31 December 2016 (Audited))

1. NATURE OF OPERATIONS

Siam Steel International Public Company Limited was incorporated as a public company in Thailand, and has been listed in the Stock Exchange of Thailand. The principal activities of the Company and its subsidiaries is the manufacturing and sale of steel office equipment and furniture parts, and construction services. In addition, the Company has invested into the alternative energy sector, however has not started the production.

2. BASIS FOR INTERIM FINANCIAL STATEMENTS PREPARATION AND PRINCIPLES OF CONSOLIDATION

2.1 Basis for interim financial statements preparation

The condensed interim financial statements are for the three-month period ended 31 March 2017 and are presented in Thai Baht. They have been prepared in accordance with Thai Accounting Standard 34 (revised 2016) “Interim Financial Reporting” which do not include all of the information required in annual financial statements in accordance with Thai Financial Reporting Standards, and should be read in conjunction with the financial statements for the year ended 31 December 2016.

The interim financial statements are prepared in Thai language. The translation of these financial statements into other language should conform to the Thai financial report.

These interim financial statements have been approved by the Company’s Board of Directors on 15 May 2017.

## 2.2 Basis of consolidation

The consolidated interim financial statements include the accounts of the Company and its subsidiaries for which the Company owns shares more than 50% of voting right. There is no significant changes in the composition of the group during the current period.

Significant intercompany transactions with subsidiaries included in the consolidated financial statements have been eliminated.

The consolidated financial statements have been prepared with the same accounting policy for the same accounting transactions or accounting events used by the Company.

As of 31 March 2017 and 31 December 2016, the total assets of subsidiaries represent 32.73 percent and 32.00 percent, respectively, of the total assets in the consolidated financial statements, and total revenues of subsidiaries for the three-month periods ended 31 March 2017 and 2016, represent 38.55 percent and 46.98 percent, respectively, of the total revenues in the consolidated financial statements.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared using the same accounting policies adopted and computation in the preparation of the financial statements of the Company and its subsidiaries for the year ended 31 December 2016, except for the adoption of the new and revised Thai Financial Reporting Standards that were issued by the Federation of Accounting Professions which became effective in the preparation of financial statements which fiscal years begin on or after 1 January 2017. The adoption of these new and revised Thai Financial Reporting Standards do not have any material effect on the financial position and results of the Company and its subsidiaries for the period.

## 4. ESTIMATES

When preparing the interim financial statements, management undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation were the same as those applied in the preparation of annual financial statements for the year ended 31 December 2016.

5. TRANSACTIONS WITH RELATED COMPANIES

A portion of the Company's assets, liabilities, revenues, costs and expenses arose from transactions with related companies which are related through common shareholding and/or directorship. These financial statements reflected the effects of significant transactions with related companies based on market prices in the normal course of business, or based on the basis mutually agreed to for transactions with non-comparative market prices.

As at 31 March 2017 and 31 December 2016, the account balances with related companies are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
<b>Trade accounts receivable from sales and services</b>				
Subsidiary companies	-	-	2,525	1,635
Associated companies	1,092	124	89	100
Related companies	12,099	5,885	11,407	5,451
Total trade accounts receivable from sales and services – related companies	<u>13,191</u>	<u>6,009</u>	<u>14,021</u>	<u>7,186</u>
<b>Receivables from and advances</b>				
Subsidiary companies	-	-	1,048	1,828
Associated companies	910	973	910	973
Related companies	6,059	11	6,059	11
Total receivables from and advances to related companies	<u>6,969</u>	<u>984</u>	<u>8,017</u>	<u>2,812</u>
There is no interest charge for the above receivables and advances.				
<b>Short-term loans to</b>				
Indirect subsidiary company	-	-	375,000	465,000

Movements in short - term loans to indirect subsidiary company for the three-month period ended 31 March 2017 are as follows:

(Unit : Thousand Baht)

	Separate F/S			31 March 2017
	31 December 2016	Increase	Decrease	
	Short - term loans	465,000	-	

On 11 December 2015, the Company entered into a loan agreement with Bangphra Green Energy Co., Ltd., and indirect subsidiary company, for a renewable energy - solar power plant project which is expected to start production in 2017, for a total amount of Baht 440 million. Bangphra Green Energy Co., Ltd. drew down on the loan 2 times, Baht 100 million and Baht 340 million, on 16 December 2015 and 31 January 2016, respectively. This loan is collateralized by 1,000,000 common shares of Bangphra Green Energy Co., Ltd., at Baht 2.50 par value which the Company is entitled to purchase at Baht 2.50 per share. The loan is repayable within one year commencing the date the loan is fully withdrawn, within 31 January 2017, and bears interest at 8% per annum commencing from first withdrawal date.

Subsequently on 16 December 2016, the Company entered into a loan agreement with Bangphra Green Energy Co., Ltd., totaling Baht 25 million. Bangphra Green Energy Co., Ltd., drew down on the loan 2 times, Baht 10 million and Baht 15 million, on 19 December 2016 and 30 December 2016, respectively. The loan is repayable within one year from when the loan was fully withdrawn, which is 30 December 2017, and bears interest at 8% per annum commencing from first withdrawal date.

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
<b>Short – term loans from</b>				
Related companies	47,000	-	-	-
<b>Trade accounts payable</b>				
Associated companies	26,127	36,308	5,216	5,530
Related companies	9,086	5,174	5,997	3,368
Total trade accounts payable - related companies	35,213	41,482	11,213	8,898

In Thousand Baht

	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
<b>Advances from</b>				
Subsidiary company	-	-	60	60
Associated company	60	60	60	60
Related companies	1,232	1,027	940	1,027
Total advances from related companies	1,292	1,087	1,060	1,147
Total payable and advances from related companies	36,505	42,569	12,273	10,045
<b>Advances and deposits from customers</b>				
Subsidiary companies	-	-	1,842	1,841
Related companies	6,203	8,283	6,203	8,283
Total advances and deposits from customers - related companies	6,203	8,283	8,045	10,124

The significant transactions with related companies for the three-month periods ended 31 March 2017 and 2016 and pricing policy are as follows :

The Policy of Pricing

Sales and services	Cost plus margin or agreed price
Income from sales of raw materials, factory supplies and others	Cost plus margin
Rental revenue	Agreed price
Interest income	8% per annum
Purchases of raw materials	Cost plus margin or agreed price
Purchases of finished goods	Agreed price
Administrative expenses	Cost plus margin or agreed price
Interest expenses	8% per annum

In Thousand Baht

Consolidated F/S	Separate F/S
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For the three-month periods ended 31 March

	2017	2016	2017	2016
Sales	17,217	14,881	21,314	31,656
Income from sales of raw materials, factory supplies and others	10,155	4,666	10,919	5,830
Rental revenue	5,114	3,689	7,713	6,055
Interest income	25	-	8,817	8,169
Purchases of raw materials	1,580	3,385	1,580	3,385
Purchases of finished goods	74,399	66,115	10,523	12,010
Administrative expenses	11,149	10,633	3,050	2,897
Interest expense	25	592	-	-
 <u>Key management personnel compensation</u>				
Current employee benefits	6,086	5,629	5,397	4,941
Post-employment benefits	83	71	67	64
Total	6,169	5,700	5,464	5,005

6. TRADE ACCOUNTS RECEIVABLE

As at 31 March 2017 and 31 December 2016, the aged analysis of accounts receivable are as follows:

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
<b>Trade accounts receivable from sales and services</b>				
<u>Trade accounts receivable – general customers</u>				
Current	227,869	274,936	144,158	191,406
Overdue:				
Less than 3 months	114,778	84,396	24,096	11,920
3 months – 6 months	15,942	20,216	4,041	6,294
6 months – 12 months	6,720	11,754	2,649	3,094
Over 12 months	49,413	49,944	48,597	47,851
Total	414,722	441,246	223,541	260,565
<u>Less</u> Allowance for doubtful accounts	(16,311)	(16,311)	(16,311)	(16,311)
Net	398,411	424,935	207,230	244,254
<u>Trade accounts receivable - related companies</u>				
Current	11,200	5,576	12,509	7,186
Overdue:				
Less than 3 months	1,570	433	1,512	-
3 months – 6 months	421	-	-	-
Total	13,191	6,009	14,021	7,186
<b>Trade accounts receivable – construction work</b>				
<u>Trade accounts receivable – general customers</u>				
Current	-	30,158	-	30,158

The currency denomination of trade accounts receivable as at 31 March 2017 and 31 December 2016 are as follows:



	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
THB	382,135	421,806	191,784	242,302
USD	988	9,342	988	9,342
AUD	44,206	43,723	44,206	43,723
JPY	584	2,542	584	2,542
Total	427,913	477,413	237,562	297,909
<u>Less</u> Allowance for doubtful accounts	(16,311)	(16,311)	(16,311)	(16,311)
Net	411,602	461,102	221,251	281,598

#### 7. INVENTORIES

	In Thousand Baht			
	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
Finished goods	197,045	212,487	82,064	81,451
Work in process	96,764	84,543	96,764	84,543
Raw materials and supplies	151,734	153,945	151,735	153,945
Goods in transit	1,262	1,286	1,207	-
Total	446,805	452,261	331,770	319,939
<u>Less</u> Allowance for decline value of inventories	(42,317)	(48,027)	(42,317)	(42,350)
Net	404,488	404,234	289,453	277,589

During the period, the movements in allowance for decline value of inventories are as follows:

	In Thousand Baht	
	Consolidate F/S	Separate F/S
Balance as at 1 January 2017	48,027	42,350
<u>Less</u> Reversal of allowance for decline value	(5,710)	(33)
Balance as at 31 March 2017	<u>42,317</u>	<u>42,317</u>

8. INVESTMENTS IN SUBSIDIARIES AND RELATED COMPANIES

As at 31 March 2017 and 31 December 2016, the balances of investments in subsidiaries, associated companies and related companies are shown on the following pages :

(In Thousand Baht)

Type of business	Paid-up Share capital		Percentage of shareholding		Consolidated F/S		Equity method		
	31 December		31 December		31 December		31 March	31 December	
	31 March 2017	2016	31 March 2017	2016	31 March 2017	2016	2017	2016	
<u>Investments</u>									
<u>Associated companies - equity method</u>									
Siam Okamura Steel Co., Ltd.	Manufacturing of steel furniture	88,000	88,000	40	40	35,199	35,199	114,038	111,337
Siam Steel Service Center Public Company Limited	Steel cutting services and manufacturing of element steel parts	639,998	639,998	22.76	22.76	127,428	127,428	661,407	642,659
						<u>162,627</u>	<u>162,627</u>	<u>775,445</u>	<u>753,996</u>
<u>Indirect associated company – equity method</u>									
Lucky-Kingdom Center Co., Ltd.	Investment in shares	12,000	12,000	24	24	4,800	4,800	4,703	4,988
Total investments in associated companies by equity method						<u>167,427</u>	<u>167,427</u>	<u>780,148</u>	<u>758,984</u>
<u>Related companies - cost method</u>									
Formica (Thailand) Co., Ltd.	Manufacturing of melamine laminated product	199,150	199,150	5	5	38,052	38,052		
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	170,000	170,000	5	5	11,660	11,660		
Total investment in related companies						<u>49,712</u>	<u>49,712</u>		
<u>Other company - cost method</u>									
Siam Auto Bags Co., Ltd.	Sales parts and accessories of car	39,900	39,900	6.39	6.39	5,000	5,000		
<u>Less</u> Allowance for decline value of investments						<u>(2,563)</u>	<u>(2,563)</u>		
Net						<u>2,437</u>	<u>2,437</u>		
Total investment by cost method – net						<u>52,149</u>	<u>52,149</u>		

(In Thousand Baht)

Type of business	Separate F/S						
	Paid-up Share capital		Percentage of shareholding		Cost method		
	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016	
<u>Investments accounted for by cost method</u>							
<u>Subsidiary companies</u>							
Sri Chareon International Co., Ltd.	Distribution of steel furniture	14,000	14,000	99.99	99.99	14,000	14,000
Siam Okamura International Co., Ltd.	Distribution of steel furniture	20,000	20,000	51	51	10,199	10,199
Siam Steel OC Co., Ltd.	Distribution of finished buildings, wall and relating products	20,000	20,000	51	51	10,200	10,200
Siam International Energy Co., Ltd.	Investment in alternative energy	160,000	160,000	99.99	99.99	160,000	160,000
Total investment in subsidiary companies						<u>194,399</u>	<u>194,399</u>
<u>Associated companies</u>							
Siam Okamura Steel Co., Ltd.	Manufacturing of steel furniture	88,000	88,000	40	40	35,199	35,199
Siam Steel Service Center Public Company Limited	Steel cutting services and manufacturing of element steel parts	639,998	639,998	22.76	22.76	127,428	127,428
Total investment in associated companies						<u>162,627</u>	<u>162,627</u>
<u>Related companies</u>							
Formica (Thailand) Co., Ltd.	Manufacturing of melamine laminated products	199,150	199,150	5	5	38,052	38,052
Panasonic Eco Solutions Steel (Thailand) Co., Ltd.	Manufacturing of electrical conduit pipes	170,000	170,000	5	5	11,660	11,660
Total investments in related companies						<u>49,712</u>	<u>49,712</u>

As at 31 March 2017 and 31 December 2016, the fair value of investment in Siam Steel Service Center Public Company Limited, which listed on the Stock Exchange of Thailand, amount of Baht 619.04 million (closing price Baht 42.50 per share, 14,565,600 common shares) and Baht 575.34 million (closing price Baht 39.50 per share, 14,565,600 common shares), respectively. For other investments in associates and joint venture are not publicly listed on the Stock Exchange of Thailand and consequently do not have published price.

Movements in investments in associated companies for the three-month period ended 31 March 2017 are as follows:

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2017	758,984	162,627
Share of profits of investment - equity method	21,164	-
Net book value as at 31 March 2017	780,148	162,627

#### 9. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment for the three-month period ended 31 March 2017 are as follow:

	In Thousand Baht	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2017	1,175,211	561,435
Purchase during the period	9,833	1,084
Disposal during the period – net book value	(141)	(1)
Depreciation for the period	(11,662)	(9,964)
Exchange differences from translation foreign operation	(443)	-
Net book value as at 31 March 2017	1,172,798	552,554

10. SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

	In Thousand			
	Interest rate per annum		Consolidated F/S and Separate F/S	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Promissory notes	5.25 - 5.50	5.25 - 5.50	198,049	385,334
Total			198,049	385,334

As at 31 March 2017 and 31 December 2016, a part of short – term loans from financial institutions in amount of Baht 190.00 million with collaterals of land and buildings. This loan is repayable within June 2017.

11. SHORT - TERM LOANS FROM OTHER PERSON

As at 31 March 2017 and 31 December 2016, the indirect subsidiary company has issued promissory notes to other persons of Baht 138 million and Bath 103 million. The repayment is due on demand and has interest rates at 8% per annum.

12. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

As at 31 March 2017 and 31 December 2016, the Company have long-term loan from financial institution as follow :

	In Thousand	
	Consolidated F/S and Separate F/S	
	31 March 2017	31 December 2016
Long-term loans from financial institutions	234,657	236,103
<u>Less</u> Current portion of long - term loans from financial institutions	(5,784)	(5,784)
Long-term loans from financial institutions- net	228,873	230,319

As at 31 March 2017 and 31 December 2016, long-term loans from financial institutions with interest at the rates of MLR – 0.5% per annum are collateralized by the pledge of 8,842,800 shares of an associated company. In addition, the Company has to deposit dividends received from such shares to the bank account accumulatively until it reach Baht 10 million as addition collateral. The Company also has to pledge shares belonging to the Company’s directors of 25,000,000 shares as collateral for this loan. This loan is repayable within December 2020.

### 13. SEGMENTAL FINANCIAL INFORMATION

	In Thousand Baht					
	For the three-month periods ended 31 March					
	Domestic		Export		Total	
	2017	2016	2017	2016	2017	2016
<b>Consolidated</b>						
Sales and services – net	435,163	379,444	21,684	10,942	456,847	390,386
Cost of sales and services	(333,694)	(277,140)	(18,854)	(9,432)	(352,548)	(286,572)
Gross profit	101,469	102,304	2,830	1,510	104,299	103,814
Revenues from construction work	19,015	38,255	-	-	19,015	38,255
Costs of construction work	(16,627)	(31,891)	-	-	(16,627)	(31,891)
Gross profit	2,388	6,364	-	-	2,388	6,364
Total gross profit	103,857	108,668	2,830	1,510	106,687	110,178

	In Thousand Baht					
	For the three-month periods ended 31 March					
	Domestic		Export		Total	
	2017	2016	2017	2016	2017	2016
<b>Separate F/S</b>						
Sales and services – net	242,699	213,300	21,684	10,942	264,383	224,242
Cost of sales and services	(180,437)	(146,605)	(18,854)	(9,432)	(199,291)	(156,037)
Gross profit	62,262	66,695	2,830	1,510	65,092	68,205
Revenues from construction work	19,015	38,255	-	-	19,015	38,255
Costs of construction work	(16,627)	(31,891)	-	-	(16,627)	(31,891)
Gross profit	2,388	6,364	-	-	2,388	6,364
Total gross profit	64,650	73,059	2,830	1,510	67,480	74,569

### 14. GUARANTEE

As at 31 March 2017, the Company has outstanding guarantees of approximately Baht 72.21 million which were issued by certain local banks in respect of business transactions as required in the normal course of business of the Company.

As at 31 March 2017, the subsidiary has outstanding guarantees of approximately Baht 3.42 million which were issued by certain local banks in respect of business transactions as required in the normal course of business of the Company.

### 15. COMMITMENT

15.1 As at 31 March 2017, the Company had outstanding commitments for the project work of the Company with major contractor of Baht 48.03 million.

15.2 As at 31 March 2017, subsidiary company has various operating lease agreement covering its office premises, warehouse and related utility service and vehicles for periods of 1 – 3 years. Under the terms of these agreements, the subsidiary company is committed to pay the rental as follow:

	<u>In Thousand Baht</u>
Within 1 year	16,502
2 - 3 year	20,837

## 16. DISCLOSURE OF FINANCIAL INSTRUMENTS

### Foreign Exchange Risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies.

As at 31 March 2017, the balances of financial assets and liabilities denominated in foreign currencies are as follows:

<u>Foreign currency</u>	<u>Financial assets</u>	<u>Financial liabilities</u>	<u>Average exchange rate as at 31 March 2017</u>
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)
USD	1,629	4	34.45005
JPY	604	712	0.307720
AUD	1,356	330	26.35105

As at 31 March 2017, the above foreign currency denominated assets and liabilities were not covered by hedging instruments.

## 17. LITIGATION

In 2012, a contractor sued the Company as joint defendant with an other party for compensation totaling approximately Baht 41.53 million, plus interest at the rate of 7.50 percent per annum from 24 March 2011 to the payment date. The Company submitted a counterclaim because they believed the plaintiff was at fault for the delay and delivery of defective products. In 2016, the Court of Appeal determined that the Company has to pay compensation totaling approximately Baht 24.41 million, plus interest at the rate of 7.50 percent per annum from 27 March 2012 to the payment date. The Company has fully provision for the amount as at 31 March 2017 (31 December 2016: Baht 19.58 million). The Company is in the process of appealing the decision at the Supreme Court.



18. EVENT AFTER THE REPORTING PERIOD

At the shareholders' general meeting held on 28 April 2017, the Company's shareholder passed a resolution to pay a dividend of Baht 0.01 per share, total amount of Baht 5.93 million on 26 May 2017 to common shareholders, from operating result for the year ended 31 December 2016.

At the shareholders' general meeting held on 21 April 2017, Siam Okamura International's shareholders passed a resolution to pay a dividend of Baht 6.00 per share, total amount of Baht 1.20 million from operating result for the year ended 31 December 2016.

19. CORRECTION OF ERRORS

On 17 January 2016, Siam International Energy Co., Ltd. purchased 100% of the common shares of Bangphra Green Energy Co., Ltd, which invests in Rich Solar Energy Goda Kaisha which is a solar plant under construction in Japan. In the interim financial statements for the three-month period ended 31 March 2016, Rich Solar Energy Goda Kaisha was treated as an investment, however, it was subsequently determined the entity should have been treated as an indirect subsidiary and consolidated, which is consistent with the treatment in the year ended financial statements.

As a result, the interim statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2016 has been restated as follows:

(Unit : Thai Baht)

The Statement of profit or loss and other comprehensive income  
for the three-month period ended 31 March 2016

	Consolidate financial statements		
	As previously reported	Adjustments	Restated
Administrative expenses	88,163	2,881	91,044
Profit for the period	10,052	2,881	7,171
Exchange differences from translation foreign operation - net of tax	-	11,846	11,846
Basic earnings per share			
Profit (Baht/share)	0.015	(0.005)	0.010